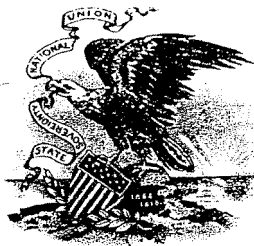


# STATE OF ILLINOIS



## ***Department of Financial and Professional Regulation Division of Insurance***

IN THE MATTER OF THE  
REVOCATION OF THE LICENSING  
AUTHORITY OF:

HEARING NO. 04-HR-0083

Jeffrey D. Lamm  
649 Charlemagne Drive  
Northbrook, IL 60062

### **ORDER**

I, Deirdre Manna, Illinois Acting Director of Insurance, hereby certify that I have read the entire Record in this matter and the hereto attached Findings of Fact, Conclusions of Law, and Recommendations of the Hearing Officer, Timothy M. Cena, appointed and designated pursuant to Section 402 of the Illinois Insurance Code (215 ILCS 5/402) to conduct a Hearing in the above-captioned matter. I have carefully considered and reviewed the entire Record of the Hearing and the Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer attached hereto and made a part hereof.

I, Deirdre Manna, Acting Director of Insurance, being duly advised in the premises, do hereby adopt the Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer as my own, and based upon said Findings, Conclusions and Recommendations enter the following Order under the authority granted to me by Article XXIV of the Illinois Insurance Code (215 ILCS 5/401 et seq.) and Article X of the Illinois Administrative Procedure Act (5 ILCS 100/10-5 et seq.).

This Order is a Final Administrative Decision pursuant to the Illinois Administrative Procedure Act (5 ILCS 100/1-1 et seq.). Further, this Order is appealable pursuant to the Illinois Administrative Review Law (735 ILCS 5/3-101 et seq.).

**RECEIVED BY**  
PRODUCER REGULATORY UNIT

JAN 07 2005

IDFPR  
DIVISION OF INSURANCE  
SPRINGFIELD

**NOW IT IS THEREFORE ORDERED THAT:**

- 1) The Illinois Insurance Producer's License of the Respondent, Jeffrey D. Lamm is revoked;
- 2) The Respondent, Jeffrey D. Lamm is hereby assessed as costs of the proceeding the sum of \$151.00, payable within 35 days of the date of this Order directly to Illinois Department of Financial and Professional Regulation, Division of Insurance, Tax and Fiscal Services Section, 320 W. Washington, Springfield, Illinois 62767.

DEPARTMENT OF FINANCIAL AND  
PROFESSIONAL REGULATION of the State of  
Illinois; FERNANDO E. GRILLO, SECRETARY

DIVISION OF INSURANCE

Date

January 3, 2005

Deirdre K. Manna

DEIRDRE K. MANNA

Acting Director of Insurance

# STATE OF ILLINOIS



## **Department of Financial and Professional Regulation Division of Insurance**

IN THE MATTER OF THE  
REVOCATION OF LICENSING  
AUTHORITY OF:

HEARING NO. 04-HR-0083

Jeffrey D. Lamm  
649 Charlemagne Drive  
Northbrook, IL 60062

### **FINDINGS OF FACT, CONCLUSIONS OF LAW AND RECOMMENDATIONS OF THE HEARING OFFICER**

Now comes Timothy M. Cena, Hearing Officer in the above captioned matter and hereby offers his Findings of Fact, Conclusions of Law and Recommendations to the Acting Director of Insurance.

### **FINDINGS OF FACT**

- 1) On December 22, 2003, J. Anthony Clark, the then Director of the Illinois Department of Insurance (Department) (now known as the Illinois Department of Financial and Professional Regulation, Division of Insurance (Division)) issued an Order of Revocation revoking the Illinois Insurance Producer's License of Jeffrey D. Lamm (Respondent) (Hearing Officer Exhibit # 2-A).
- 2) On January 23, 2004 the Department received a Request for Hearing on the revocation from the Respondent (Hearing Officer Exhibit # 2-B).
- 3) On March 9, 2004 the Acting Director of Insurance, Deirdre K. Manna, issued a Notice of Hearing pursuant to the Respondent's Request for Hearing setting a

Hearing date and location of April 15, 2004 at the Department's Offices in Chicago, Illinois (Hearing Officer Exhibit # 2).

- 4) Morton P. Kamins filed a Notice of Appearance in this matter as Counsel for the Department (Hearing Officer Exhibit # 2).
- 5) On March 9, 2004, the Acting Director appointed Timothy M. Cena as Hearing Officer in this matter (Hearing Officer Exhibit # 1).
- 6) On or about April 8, 2004 Ian L. Greengross of the law firm of Greengross and Roth filed an Appearance and Motion for Continuance on behalf of the Respondent (Hearing Officer Exhibit # 3).
- 7) On April 9, 2004, the Hearing Officer issued an Order continuing the hearing in this proceeding until June 9, 2004 (Hearing Officer Exhibit # 4).
- 8) On June 9, 2004, the Hearing Officer issued an Order continuing the hearing in this proceeding until August 18, 2004 (Hearing Officer Exhibit # 5).
- 9) On August 15, 2004, the Hearing Officer issued an Order continuing the Hearing in this proceeding until October 13, 2004 (Hearing Officer Exhibit # 6).
- 10) The Hearing in this matter was convened on October 13, 2004 at 10:00 a.m. at the Department's Offices in Chicago, Illinois at which time were present Timothy M. Cena, Hearing Officer; Morton P. Kamins, on behalf of the Division; and Helen Kim, Michael D. Teer, Richard Nitka, all employees of the Division of Insurance. Neither the Respondent, Jeffrey Lamm, nor his attorney of record, Ian Greengross were present at the Hearing.

Division Attorney Kamins, upon questioning from the Hearing Officer, indicated that he had had two pre-hearing conferences with the Respondent's Attorney, Ian Greengross prior to the date of the Hearing for the purposes of trying to reach a negotiated settlement in the matter. Mr. Kamins further stated that his agreement with Mr. Greengross was to have the Hearing on October 13, 2004 if the matter had not been settled prior to that date. The Hearing Officer had, on August 15, 2004, granted a Motion for Continuance continuing the Hearing until the agreed upon date (see Hearing Officer Exhibit # 6).

Mr. Kamins further stated that approximately 10 days prior to the scheduled hearing date, he had a telephonic conversation with Greengross. His intention was to give Greengross a "courtesy call" and advise him that the Division was ready for Hearing and Division representatives from Springfield would be attending the Hearing. Greengross indicated that he didn't remember an October 13, 2004 Hearing date. Mr. Kamins indicated that that was the agreed upon date and that the Hearing Officer had rescheduled the Hearing for that date. Greengross indicated that he would get back to him (Kamins) later that afternoon.

Kamins stated that he has had no further contact with Greengross since the previously described October 3, 2004 conversation.

The Hearing Officer, for the Record, indicated that he had had one meeting with the parties to the proceeding, including Mr. Greengross and Mr. Lamm. This meeting occurred on April 29, 2004, the date of the first pre-hearing conference in this matter. The Hearing Officer indicated that he had presided over the beginning of the first pre-hearing conference to introduce the parties and allow them to begin their negotiations. The Hearing Officer did not participate in the negotiations.

At this point Mr. Kamins requested that the Hearing be recessed for a few minutes in order to determine if either Mr. Greengross or Mr. Lamm had attempted to contact him since he left his desk to be present at the Hearing. The Hearing Officer granted the request. The Hearing was reconvened 15 minutes later. Mr. Kamins indicated that he had not received any type of communication from Greengross or Lamm that morning. The Hearing Officer, for the Record, indicated that he also had checked his voice mail, telephone messages and email and had not been contacted by the Respondent or his attorney.

The Hearing Officer then inquired of Mr. Kamins how he would like to proceed in light of the Respondent's failure to appear at the Hearing. Mr. Kamins made an Oral Motion for Default to the Hearing Officer pursuant to the Division's Hearing Rule 50 Ill. Adm. Code 2402.200. The Hearing Officer granted the Division's Motion and closed the Hearing.

- 11) After the close of the Hearing, the Hearing Officer reviewed the Division's Hearing Officer Document Control System, which consisted of entries on the Hearing Officer's file jacket of the dates of mailing of various documents generated by the Hearing Officer. The entries are made by Division secretarial staff responsible for mailing the documents. The jacket indicates that the Hearing Officer's Order of August 17, 2004 was mailed to Attorney Greengross at his address of record with the Division.
- 12) McGee Court Reporting Services transcribed the proceedings in this matter and charged the Department \$151.00 for the court reporter's attendance and the transcript of the proceeding (Hearing Officer Exhibit # 7).

### **CONCLUSIONS OF LAW**

Based upon the above stated Findings of Fact and the entire Record in this matter the Hearing Officer offers the following Conclusions of Law to the Acting Director of Insurance.

- 1) Timothy M. Cena, was duly appointed as Hearing Officer in this matter by Order of the Acting Director pursuant to Section 402 of the Illinois Insurance Code (215 ILCS 5/402).

- 2) The Acting Director of Insurance has jurisdiction over the subject matter and the parties to this proceeding pursuant to Sections 401, 402, 403, 500-70 of the Illinois Insurance Code (215 ILCS 5/401, 5/402, 5/403 and 5/500-70)
- 3) The purpose of this proceeding is to determine the Respondent's eligibility to hold an Illinois Insurance Producer's License and to determine whether the Director's Order revoking such license should stand.

In its Order of Revocation and Notice of Hearing in this matter the Division alleged multiple violations of the Illinois Insurance Code and Division of Insurance regulations as follows:

- a) The Respondent violated two previous Stipulation and Consent Orders entered into 1989 and 1995 with the Division in which he agreed to match and identify commissions withdrawn with premiums previously deposited into this Premium Fund Trust Account (PFTA), and by not currently maintaining sufficient records to support commission disbursements as required by 50 Ill. Adm. Code 3113.40 and in violation of Sections 500-70(a)(2) and (a)(8) of the Illinois Insurance Code (215 ILCS 5/500-70 (a)(2) and (a)(8));
- b) The Respondent violated the 1989 and 1995 Stipulations in 2002 by issuing 103 improper disbursements from his PFTA in the form of undocumented commission disbursements and undocumented disbursement transfers to his general operating bank account in violation of 50 Ill. Adm. Code 3113.40 and Sections 500-70 (a)(2) and (a)(8);
- c) The Respondent violated Section 500-115 (a) of the Illinois Insurance Code (215 ILCS 5/500-115(a)) by improperly withholding premium monies collected from an insured to be forwarded to an insurer thereby causing a policy of insurance not to be timely issued;
- d) The Respondent violated the 1995 Stipulation and Consent Order on seven occasions from 2000 through 2003 by accepting premium payment checks issued from insureds payable to the Respondent. The 1995 Order required the Respondent to accept premium payment checks from insureds payable only directly to insurance companies in violation of Sections 500-70 (a)(2) (a)(8) of the Illinois Insurance Code;

- e) The Respondent violated a 1998 Stipulation and Consent Order that he entered into with the Department by not maintaining a General Journal as is required by 50 Ill. Adm. Code 3113.50 and in violation Section 500-70 (a)(2) and (a)(8) of the Insurance Code;
  - f) The Respondent violated Section 500-110(b) (215 ILCS 5/500-100(b)) and Sections 500-70 (a)(2) and (a)(8) of the Insurance Code by failing to facilitate and aid the Director in performing an examination of his insurance related books and records;
  - g) The Respondent has orally admitted to Division examiners that he does not have a particular consumer file requested by Division examiners, any 2001 bank statements, cancelled checks or deposit slips and is, therefore, in violation of 50 Ill. Adm. Section 3113.50.
- 4) Due to the Respondent's failure to appear at the Hearing the Division made a Motion for Default in this matter which was granted by the Hearing Officer. Section 10-25 of the Illinois Administrative Procedure Act (5 ILCS 100/10-25) provides that disposition may be had in any contested case by stipulation, agreed settlement, consent order or default. Further, the Division's Administrative Hearing Procedures Regulation (50 Ill. Adm. Code 2402) provides in Section 2402.200 that failure of party to appear constitutes a default and that the Hearing Officer shall thereupon enter such Findings, Opinions and Recommendations as are appropriate under the pleadings and such evidence as he shall receive in the record.

Therefore, based upon the allegations of various violations by the Respondent of the aforementioned Sections of the Illinois Insurance Code and the violations of Department Regulations the Hearing Officer concludes that the Acting Director of Insurance properly and correctly revoked the Respondent's Illinois Insurance Producer's License pursuant to Sections 500-10(a)(2), (a)(4) and (a)(8) of the Illinois Insurance Code.

The Hearing Officer further concludes that the Respondent should be assessed, as costs of this proceeding, the fees charged to the Division of Insurance by the court reporting firm. This hearing was scheduled at the request of the Respondent for the purpose of potentially allowing him to retain his license. The Respondent, in spite of his request, did not attend the Hearing.


### RECOMMENDATIONS

Based upon the above stated Findings of Fact, Conclusions of Law and the entire Record in this matter the Hearing Officer offers the following Recommendations to the Acting Director of Insurance.

- 1) That the Respondent's Illinois Insurance Producer's License be revoked; and
- 2) That the Respondent be assessed, as costs of the proceeding, those fees charged to the Division by the court reporting firm for the court reporter's attendance and the preparation of the transcript.

Respectfully submitted,

Date: 12/14/04

  
\_\_\_\_\_  
Timothy M. Cena  
Hearing Officer